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S E C R E T SECTION 01 OF 02 KUWAIT 003275

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E.O. 12958: DECL: 08/06/2016  
TAGS: [EFIN](#) [EPET](#) [IZ](#) [KCOR](#) [KU](#)  
SUBJECT: IRAQ'S ILLICIT FUEL TRADE: THE VIEW FROM KUWAIT

REF: A. STATE 105085  
[1](#)B. DIRNAVCRIMINSERV WASHINGTON DC//MEKU// IIR 5  
399 6027 06  
[1](#)C. DIRNAVCRIMINSERV WASHINGTON DC//MEKU// IIR 5  
399 6028 06  
[1](#)D. BASRAH 000092

Classified By: Ambassador Richard LeBaron for reasons 1.4 (b) and (d).

Derived from Refs (b) and (c).

[1](#)1. (S/NF) SUMMARY. Post engaged contacts in Kuwaiti security agencies, but found no substantive reports of Iraqi fuel being smuggled into or through Kuwaiti territory. However, a mid-level Kuwaiti security official revealed to NCIS agent at Post principal routes and methods for smuggling Iraqi crude oil, kerosene, and diesel out of Iraq using dhows and small fishing vessels which rendezvous with ships waiting in the Gulf. These routes do not pass through Kuwaiti territorial waters. The contact said the primary destination countries are UAE, Somalia, and India. END SUMMARY.

[1](#)2. (S/NF) In response to Ref (a), Post solicited information from contacts in Kuwait Ports Authority, Customs, Ministry of Defense, and Ministry of Interior on smuggling of Iraqi fuel through or to Kuwait. These contacts had no specific information. Some had heard general reports of Iraqi petroleum products being smuggled through Iranian waters or overland through Syria, but none were aware of activities taking place in Kuwaiti territory. (Note: Ref (d) refers to smuggling of illicit oil down the waterways of Iraq to Kuwait where it is reflagged for further transit. Post found no information to corroborate this report. End note.)

[1](#)3. (S/NF) Per Refs (b) and (c), NCIS agent at Post received information from a mid-level Kuwaiti security official on maritime smuggling routes for Iraqi crude oil, kerosene, and diesel fuel. (Note: NCIS has had a collaborative, overt, liaison-based working relationship with this source for over two years. End Note.) According to this source, oil products are smuggled out of Iraq using small dhows and fishing boats, primarily from the Umm Qasr area, where the smugglers work with insiders from the Iraq oil industry. These small vessels carry the products along three possible routes within Iraqi territorial waters to tankers or other ships waiting in the Gulf. The smugglers on these larger ships purchase the oil products at approximately one-tenth of the market price. The products are then transported to UAE, Somalia, or India for further distribution.

[1](#)4. (S/NF) All three routes start at Umm Qasr and continue along the Iraqi shoreline until they split at approximately 295200N/0483000E. The first route passes close to Kuwaiti waters without entering so the Kuwait Coast Guard is unable to intercept the smugglers. These vessels may appear to be engaged in fishing. Vessels using this route often conduct an at-sea rendezvous with an awaiting oil tanker. The two-way route is also used to transport drugs and weapons. The second route proceeds southeast from the split, past the Al-Bakr and Khawr Al-Amaya oil terminals. Vessels along this route conduct a rendezvous with an oil tanker or large fishing vessel to transfer the products for further transport to UAE. The third route differs from the second in that it continues farther north along the coast of Iraq. When vessels along this route reach international waters, they transfer their products to a second vessel which proceeds to UAE, India, or Somalia. A separate route for smuggling diesel fuel products from the Al Faw Peninsula begins at approximately 295700N/0483500E. This route follows the Shatt Al-Arab to the Gulf where the smugglers turn east to rendezvous with an oil tanker or fishing vessel that carries the products to their final destination.

[1](#)5. (C/NF) The local contractor working on refurbishment of the Al-Basra Oil Terminal (ABOT) informed EmbOff that the terminal currently lacks a gauge so it is impossible to know how much fuel is being loaded on to tankers. He cited pilferage as a significant problem and suggested tanker crews load more than they report and sell the excess.

16. (U) Ref (c), from which most of this cable is derived, includes a nautical chart which graphically depicts the smuggling routes. Requests for the chart and other specific questions should be addressed to the NCISHQ Collection Manager at STU-III (202) 433-3816/3787; SIPRNET address: COLLECTION@NCISMAIL.NCIS.NAVY.SMIL.MIL

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LeBaron